



Addendum to 2024 Development Charges Background Study

Town of Ingersoll

For Public Circulation and Comment

June 7, 2024

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1. Summary of Revisions to the April 10, 2024 Development Charges Background Study

Commensurate with the provisions of the *Development Charges Act* (D.C.A.), 1997, the Town of Ingersoll (Town) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-law to the public. The D.C.B.S. was amended May 21, 2024. The following provides a summary of the key dates in the Development Charges (D.C.s) by-law process:

- April 10, 2024 – Release D.C.B.S. and draft by-law
- May 13, 2024 – Public Meeting of Council
- May 21, 2024 – Addendum to D.C.B.S.
- June 10, 2024 – Anticipated passage of D.C. By-law

On June, 6, 2024, Bill 185 (Cutting Red Tape to Build More Homes Act, 2024) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
- To modernize public notice requirements.



The purpose of the addendum to the April 10, 2024 D.C.B.S., as amended, is to include D.C. eligible costs for growth-related studies, reflect other changes in the D.C.A. made through Bill 185 (such as reducing the D.C. “freeze” from 2-years to 18 months and removal of the statutory phase-in of the charge in new by-law), revisions to the Parks and Recreation Services charge, and other housekeeping amendments.

The refinements to the calculation of the charge are detailed in this report and will form part of the D.C.B.S., as amended, for Council’s consideration and approval prior to adoption of the D.C. By-law.



2. Addendum

2.1 Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Town's capital works program. These studies have either been included within Services Related to a Highway, Parks and Recreation Services, and within a Growth-Related Studies class of service based on each service to which the studies relate.

Table 2-1 summarizes the studies that have been included within each service or class of service with the D.C.B.S., as amended, including the anticipated timing, gross capital costs, and D.C. eligible costs included in the calculation of the charge.

Table 2-1
Growth-Related Studies

Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non- D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2024-2033										
Services Related to a Highway										
Roads Needs Study	2025	50,000			50,000	25,000		25,000	16,000	9,000
Roads Needs Study	2030	50,000			50,000	25,000		25,000	16,000	9,000
Subtotal		100,000		-	100,000	50,000		50,000	32,000	18,000
Parks and Recreation Services										
Recreation Master Plan	2032	90,000			90,000	22,500		67,500	64,125	3,375
Subtotal		90,000		-	90,000	22,500		67,500	64,125	3,375
Growth-Related Studies										
D.C. Background Study	2028	40,000		-	40,000	-	-	40,000	28,221	11,779
D.C. Background Study	2033	40,000		-	40,000	-	-	40,000	28,221	11,779
Secondary Plan	2033	270,000		20,250	249,750	67,500	101,250	81,000	57,147	23,853
Stormwater Plan	2027	150,000		-	150,000	37,500	-	112,500	79,370	33,130
Asset Management Plan	2027-2028	50,000		810	49,190	41,900	-	7,290	5,143	2,147
Reserve Fund Adjustments								(101,560)	(71,652)	(29,908)
Subtotal		550,000		21,060	528,940	146,900	101,250	179,230	126,449	52,781
Total		740,000	-	21,060	718,940	219,400	101,250	296,730	222,574	74,156

In aggregate, the study costs that have been identified total \$740,000. A deduction of \$21,100 has been made to recognize the portion of planning studies related to D.C.-ineligible services, and a deduction of \$101,250 has been made for grants and subsidies attributable to new development. After deducting \$219,400 for the benefit to existing share and deducting \$101,600 for the existing D.C. reserve fund surplus for growth-related studies, the D.C. eligible costs for studies that have been considered within the calculation of the charge within each service or class of service total \$296,700.



2.2 Parks and Recreation Services

The calculation of the benefit to existing development for Parks and Recreation Services project #9 (Installation of New Water Feature – Splash pad), was updated to accurately reflect the forecasted population growth over the forecast period. This update has reduced the benefit to existing development from \$189,300 to \$176,100. Consequently, the potential D.C. recoverable cost increased by \$13,200.

2.3 Impacts on the Calculated D.C.

Based on the identified changes, the amended schedule of charges is presented in Table 2-2.

Table 2-2
Amended Schedule of D.C.s

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	3,536	2,649	2,122	1,347	9.62	3,536
Fire Protection Services	1,409	1,056	846	537	3.83	1,409
Parks and Recreation Services	9,678	7,249	5,807	3,686	2.46	
Growth-Related Studies	142	106	85	54	0.29	142
Total Municipal Wide Services/Class of Services	14,765	11,060	8,860	5,624	16.20	5,087

By comparison to the charges presented in the April 10, 2024 D.C.B.S., as amended, the amended charge for a single and semi-detached residential unit would increase by \$259 (+1.8%) from \$14,506 to \$14,765. The updated charges presented herein are compared to the current charges that are in effect in Table 2-3 for a single-detached residential dwelling unit and per sq.m. of gross floor area (G.F.A.) for non-residential development.



Table 2-4
Comparison of Current and Calculated D.C.s

Residential (Single Detached) Comparison

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Services Related to a Highway	4,030	3,536	(494)	-12%
Fire Protection Services	403	1,409	1,007	250%
Parks and Recreation Services	270	9,678	9,408	3480%
Growth-Related Studies	187	142	(45)	-24%
Total Municipal Wide Services/Classes	4,890	14,765	9,876	202%

Non-Residential (per sq.m.) Comparison

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Services Related to a Highway	13.40	9.62	(3.78)	-28%
Fire Protection Services	1.34	3.83	2.49	186%
Parks and Recreation Services	0.18	2.46	2.29	1302%
Growth-Related Studies	0.60	0.29	(0.31)	-52%
Total Municipal Wide Services/Classes	15.51	16.20	0.69	4%

The proposed residential D.C. for a single detached dwelling unit represents a 202% increase (+ \$9,876) over the current charges of \$4,890. The non-residential charges per sq.m. represent a 4% increase (+ \$0.69) over the current charges of \$15.51. The Town does not currently impose D.C.s on non-residential development.



3. Changes to the D.C.B.S.

Based on the foregoing, the following revisions are made to the April 10, 2024 D.C.B.S., as amended. Accordingly, the amended pages are appended to this report:

- Table of Contents – Updated to reflect the changes summarized below
- Executive Summary (pages i to ix) – Updated to reflect the inclusion of study costs, legislative changes, and the date of by-law passage
- Pages 1-3 to 1-8 – Section 1.3 updated to reflect legislative changes
- Page 4-1 - Section 4.2 updated to reflect the eligible funding of study costs
- Pages 4-6 to 4-12
 - Table 4-2 and Section 4.5 updated to reflect the eligible funding of study costs;
 - Table 4-3 updated to reflect D.C. reserve fund balance for growth-related studies including for funding of past D.C. eligible studies; and
 - Updated page numbering including additional pages.
- Pages 5-2 to 5-9 – Updated to include growth-related study costs in the calculation of the charge, updated Parks and Recreation Services costs identified in Section 2., and updated page numbering (including additional pages).
- Pages 6-1 to 6-3 – Chapter 6 updated to include growth-related study costs in the calculation of the charge and changes identified in Section 2.2.
- Page 7-1 – Section 7.1 updated to reflect legislative changes
- Pages 7-3 to 7-8
 - Section 7.3.2 updated to include Growth-Related Studies as a class of services;
 - Section 7.3.4 updated to include growth-related study costs in the calculation of the charge;
 - Section 7.3.5 updated to reflect legislative changes (removal of phase-in);
 - Section 7.3.6 updated to reflect legislative changes (decreased time for D.C. “freeze”);
 - Section 7.4.1 updated to include Growth-Related Studies as class of service; and
 - Updated page numbering
- Pages 8-3 to 8-4
 - Section 8.2 updated to changes identified in Section 2.2



- Pages C-2 to C-3, and C-6 to C-9 within Appendix C – Updated cash-flow calculations as a result of changes identified herein
- Appendix D – Updated Table D-1 to reflect the updated benefitting to existing calculation
- Appendix F – Updated by-law to reflect the inclusion of study costs and other legislative changes.

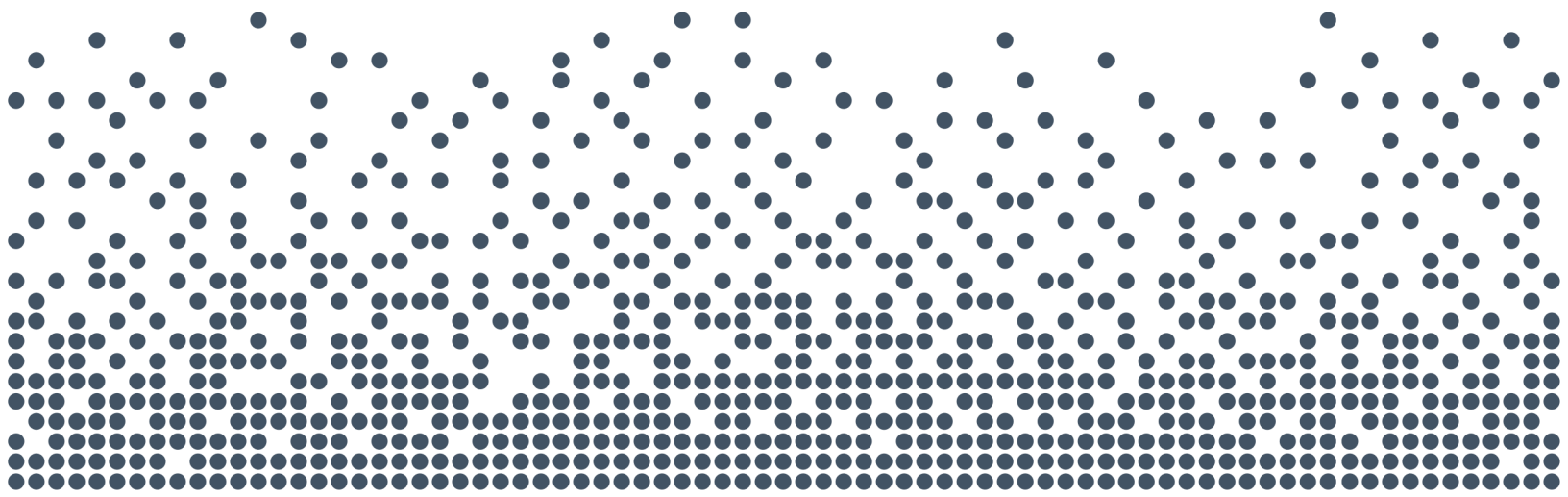


4. Process for Adoption of the D.C. By-law

The revisions provided herein form the basis for the D.C. by-law and will be incorporated into the D.C.B.S., as amended, to be provided to Council prior to Council's consideration and adoption of the proposed D.C. by-law.

If Council is satisfied with the above noted changes to the D.C.B.S., as amended, and D.C. by-law, then prior to by-law passage Council must:

- Approve the D.C.B.S., as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new D.C. by-law.



Appendices



Appendix A

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Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for the Town of Ingersoll (Town) required by the *Development Charges Act, 1997* (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:
 - Chapter 1 – Introduction and overview of the legislative requirements of the D.C.A.;
 - Chapter 2 – Current Town D.C. policy
 - Chapter 3 – Summary of the residential and non-residential growth forecasts for the Town;
 - Chapter 4 – Approach to calculating the D.C.;
 - Chapter 5 – Review of historical service standards and identification of D.C. recoverable capital costs to service growth;
 - Chapter 6 – Calculation of the D.C.s;
 - Chapter 7 – D.C. policy recommendations and D.C. by-law rules;
 - Chapter 8 – Asset management plan requirements of the D.C.A.; and
 - Chapter 9 – By-law implementation.

2. D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to recover these charges. The methodology is detailed in Chapter 4; a simplified summary is provided below:
 - 1) Identify amount, type and location of growth;
 - 2) Identify servicing needs to accommodate growth;
 - 3) Identify capital costs to provide services to meet the needs;
 - 4) Deduct:
 - Grants, subsidies and other contributions;
 - Benefit to existing development;
 - Amounts in excess of 15-year historical service calculation;
 - D.C. reserve funds;



- 5) Net costs are then allocated between residential and non-residential benefit; and
 - 6) Net costs divided by growth to provide the D.C. calculation.
3. Changes to the D.C.A. were introduced through five bills passed in the Ontario legislature since the Town's last D.C. by-law amendment: Bill 109, Bill 23, Bill 97, Bill 134, and Bill 185. The following provides a brief summary of the recent changes.

Bill 109: *More Homes for Everyone Act, 2022*

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement. Further information is provided in subsection 1.3.1.

Bill 23: *More Homes Built Faster Act, 2022*

On November 28, 2022, Bill 23 received Royal Assent. This Act amends a number of pieces of legislation including the *Planning Act* and the D.C.A. Subsequently, further amendments to these provisions were made through Bills 97 and 134. The following provides a summary of the changes to the D.C.A. (further details are provided in subsection 1.3.2 of this report):

- Additional residential unit exemption: Allowance of a third unit to be exempt from D.C.s in existing and new residential dwellings;
- Removal of housing as an eligible D.C. service;
- New statutory exemptions for affordable units, attainable units (to be in effect upon proclamation by the Lieutenant Governor);
- New statutory exemptions for inclusionary zoning units, and non-profit housing developments;
- Historical level of service extended to 15-year period instead of the prior 10-year period;
- Capital cost definition may be revised to prescribe services for which land or an interest in land will be restricted;



- Capital cost definition has been revised to remove studies;
- Mandatory reduction for new D.C. by-laws passed after November 28, 2022, as follows:
 - Year 1 – 80% of the maximum charge;
 - Year 2 – 85% of the maximum charge;
 - Year 3 – 90% of the maximum charge;
 - Year 4 – 95% of the maximum charge; and
 - Year 5 to expiry – 100% of the maximum charge.
- D.C. by-law expiry will be 10 years after the date the by-law comes into force (unless repealed earlier);
- D.C. for rental housing developments to receive a discount as follows:
 - Three or more bedrooms – 25% reduction;
 - Two bedrooms – 20% reduction; and
 - All other bedroom quantities – 15% reduction.
- Maximum interest rate for installments and determination of charge for eligible site plan and zoning by-law amendment applications to be set at the average prime rate plus 1%; and
- Requirement to allocate funds received– municipalities will be required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway.

Bill 185: *Cutting Red Tap to Build More Homes Act, 2024* (Bill 185)

On June, 6, 2024, Bill 185 received Royal Assent and includes the following changes to the D.C.A.

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);



- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
 - Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
 - To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
 - To modernize public notice requirements.
4. The Town is undertaking a D.C. public process and anticipates passing new by-laws for the eligible services. The mandatory public meeting has been set for May 13, 2024 with adoption of the by-laws anticipated for June 10, 2024, with an effective date of June 13, 2024 in advance of the expiry of the current by-law on July 14, 2024.
5. The growth forecast (Chapter 3) on which the D.C. is based, projects the following population, housing and non-residential floor area for the 10-year (2024 to 2034) period.



Table ES-1
Summary of Growth Forecast by Planning Period

Measure	10 Year 2024 to 2034
(Net) Population Increase	2,760
Residential Unit Increase	1,187
Non-Residential – Gross Floor Area Increase (sq.m.)	199,537

Source: Watson & Associates Economists Ltd. forecast 2024.

6. Chapter 5 herein provides, in detail and by service area, the gross capital costs for the increase in need to service new development and the respective deductions that have been made to arrive at the D.C. recoverable costs included in the calculation of the charge. The following services are calculated based on Town-wide 10-year forecast:

- Services related to a highway (including municipal works facilities, fleet and equipment);
- Fire protection services;
- Parks and recreation services; and
- Growth-Related Studies.

A summary of the total growth-related costs is provided below in Table ES-2.

Table ES-2
Summary of Expenditures Anticipated Over the Respective Forecast Periods

Summary of Expenditures Anticipated Over the Life of the By-laws	Expenditure Amount
Total Gross Capital Costs	\$72,325,000
Less: Benefit to Existing Development	\$20,035,000
Less: Post Planning Period Benefit	\$32,084,000
Less: Grants, Subsidies and Other Contributions	\$1,626,000
Less: Other Deductions	\$21,000
Less: Existing D.C. Reserve Funds	\$1,155,000
Net Costs to be Recovered from Development Charges	\$17,403,000



Based on the above table, the Town plans to spend \$72.3 million over the 10-year planning period of which \$17.4 million (24%) is recoverable from D.C.s. Of the net \$17.4 million included in the calculation, \$14.2 million is recoverable from residential development and \$3.2 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further. This suggests that non-D.C. costs over the forecast period will total \$54.9 million. As part of the D.C. background study process we have undertaken an assessment of the D.C. revenue foregone that would occur based on current exemptions and reduction policies. This analysis suggests that the shortfall in D.C. revenue as a result of these policies would total \$6.6 million over the forecast period or 38% of D.C. recoverable costs¹.

This report has undertaken a calculation of charges based on the anticipated development summarized in Table ES-1 and the future identified needs (presented in Table ES-2). Charges have been provided on a Town-wide basis for all services. The corresponding single detached unit charge is \$14,765. The non-residential charge is \$16.20 per sq.m. of building area. The calculated schedule of charges is presented in Table ES-3.

¹ D.C. revenue foregone is based on statutory exemptions/reductions contained in the D.C.A. and exemption policies in the current D.C. by-law.



Table ES-3
Calculated Schedule of Development Charges

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	3,536	2,649	2,122	1,347	9.62	3,536
Fire Protection Services	1,409	1,056	846	537	3.83	1,409
Parks and Recreation Services	9,678	7,249	5,807	3,686	2.46	
Growth-Related Studies	142	106	85	54	0.29	142
Total Municipal Wide Services/Class of Services	14,765	11,060	8,860	5,624	16.20	5,087



7. Chapter 7 outlines the D.C. by-law policy recommendations and rules as summarized below:

- Timing of Collection:
 - D.C.s to be calculated and payable at the time of building permit issuance
 - D.C.s for developments proceeding through Site Plan or Zoning By-law Amendment applications will be determined based on the charges in effect on the day of the application (charges to be frozen for a maximum period of 18 months after planning application approval)
 - Rental housing and institutional developments would pay D.C.s in six equal annual payments, commencing from the date of occupancy
- Statutory D.C. Exemptions:
 - Upper/Lower Tier Governments and School Boards
 - Development of lands intended for use by a university that received operating funds from the Government
 - Existing industrial building expansions (may expand by 50% with no D.C.)
 - Additional residential units in existing and new residential buildings
 - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
 - One additional unit or 1% of the units in an existing rental residential building with four or more residential units
 - Non-profit housing
 - Inclusionary zoning affordable units
 - Affordable housing
- D.C. Discounts for rental housing development based on dwelling unit type:
 - >2 bedrooms - 25% discount
 - 2 bedrooms - 20% discount
 - <2 bedrooms - 15% discount
- Non-Statutory Deductions:
 - Non-residential uses;



- Non-residential farm buildings;
 - Places of worship;
 - Public hospitals;
 - Temporary buildings and structures;
 - Long-term care homes;
 - Affordable housing; and
 - Temporary dwelling units
- Redevelopment credits provided where building permit issuance occurs within five years for conversion or demolitions of existing structures
 - Charges to be indexed annually on the date the by-law comes in to force, in accordance with the D.C.A.
8. Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix F. These decisions may include:
- adopting the charges and policies recommended herein;
 - considering additional exemptions to the by-laws; and
 - considering reductions in the charge by class of development (e.g., obtained by removing certain services on which the charge is based and/or by a general reduction in the charge).



Process Steps	Dates
5. Presentation of draft findings and by-law policies to D.C. Steering Committee	February 5, 2024
6. Presentation of draft findings and D.C. policies to Council	March 4, 2024
7. D.C. Background Study and draft D.C. by-law available to public	April 10, 2024
8. Public Meeting of Council	May 13, 2024
9. D.C. By-law passage (anticipated)	June 10, 2024
10. D.C. By-Law effective date	June 13, 2024
11. Newspaper notice given of by-law passage	By 20 days after passage
12. Last day for by-law appeal	40 days after passage
13. Municipality makes available D.C. pamphlet	by 60 days after in force date

1.3 Changes to the Development Charges Act, 1997

Since 2021, when the Town last amended their D.C. by-law, a number of changes to the *Development Charges Act, 1997* have been introduced through various legislation including the following:

- *More Homes for Everyone Act, 2022* (Bill 109)
- *More Homes Built Fast Act, 2022* (Bill 23);
- *Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97)
- *Affordable Homes and Good Jobs Act, 2023* (Bill 134); and
- *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185).



The following provides an overview of the changes to the D.C.A. that each of these pieces of legislation provided.

1.3.1 *More Homes for Everyone Act, 2022 (Bill 109)*

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement. The following additional information must be provided for each D.C. service being collected for during the year:

- a) whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law;
- b) if the answer to a) is no, the amount the municipality now expects to incur and a statement as to why this amount is expected; and
- c) if no money was spent from the reserve fund during the year, a statement as to why there was no spending during the year.

The changes to the D.C.A. has also been amended to now require that the annual Treasurer's statement be made available to the public on the website of the municipality or, if there is no such website, in the municipal office.

1.3.2 *More Homes Built Fast Act, 2022 (Bill 23)*

On November 28, 2022, Bill 23 received Royal Assent. This Act amends a number of pieces of legislation including the *Planning Act* and the D.C.A. Subsequently the additional residential unit exemptions were amended through Bill 97 and exemptions for affordable units were further amended through Bill 134. The following provides a summary of the changes to the D.C.A.:

1.3.2.1 *Additional Residential Unit Exemption*

The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:



- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a D.C.:
 - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
 - A third unit in a detached, semi-detached, or rowhouse if no ancillary buildings or structures contain any residential units; and
 - One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.
 - Bill 97 (*The Helping Homebuyers, Protecting Tenants Act*), extended the mandatory exemption from payment of D.C.s for addition residential units new residential buildings or in existing houses to all lands versus just urban lands.

1.3.2.2 *Removal of Housing as an Eligible D.C. Service*

Housing services is removed as an eligible service. Municipalities with by-laws that include a charge for housing services can no longer collect for this service.

1.3.2.3 *New Statutory Exemptions for Affordable Units, Attainable Units, and Inclusionary Zoning Units*

Affordable units, attainable units, inclusionary zoning units and non-profit housing developments will be exempt from the payment of D.C.s, as follows:

- Affordable Rental Units:
 - The rent is no greater than the lesser of,
 - the income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and
 - the average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.



- Affordable Owned Units:
 - The price of the residential unit is no greater than the lesser of,
 - the income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and
 - 90 per cent of the average purchase price identified for the residential unit set out in the Affordable Residential Units bulletin.
- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
 - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years. Also exemptions for affordable and attainable units will come into effect on a day to be named by proclamation of the Lieutenant Governor.
- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.

1.3.2.4 New Statutory Exemption for Non-Profit Housing

Non-profit housing development has been removed from the instalment payment section of the Act (section 26.1), as these units are now exempt from the payment of D.C.s.

1.3.2.5 Rental Housing Discount

The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms – 25% reduction;
- Two bedrooms – 20% reduction; and
- All other bedroom quantities – 15% reduction.

1.3.2.6 Historical Level of Service extended to 15-year period instead of the historical 10-year period

Prior to Royal Assent of Bill 23, the increase in need for service was limited by the average historical level of service calculated over the 10-year period preceding the



preparation of the D.C. background study. This average historical level of service is now extended to the historical 15-year period.

1.3.2.7 Revised Definition of Capital Costs

The definition of capital costs has been revised to remove studies. Further, the regulations to the Act will prescribe services for which land or an interest in land will be restricted. As at the time of writing, no services have been prescribed for this purpose.

1.3.2.8 Mandatory Phase-in of a D.C.

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in annually over the first five years the by-law is in force, as follows:

- Year 1 – 80% of the maximum charge;
- Year 2 – 85% of the maximum charge;
- Year 3 – 90% of the maximum charge;
- Year 4 – 95% of the maximum charge; and
- Year 5 to expiry – 100% of the maximum charge.

1.3.2.9 D.C. By-law Expiry

A D.C. by-law now expires ten years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's maximum life from what was previously five years.

1.3.2.10 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications

The Act allows interest to be charged on D.C.s calculated at the time of Site Plan or Zoning By-law Amendment applications (S.26.2 of the Act) and for mandatory installment payments (S. 26.1 of the Act). No maximum interest rate was previously prescribed, which allowed municipalities to choose the interest rate to impose. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.



1.3.2.11 Requirement to Allocate Funds Received

Annually, beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water services, wastewater services, and services related to a highway. Other services may be prescribed by the regulation.

1.3.3 Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)

On June, 6, 2024, Bill 185 received Royal Assent and includes the following changes to the D.C.A.

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
- To modernize public notice requirements.



4. The Approach to the Calculation of the Charge

4.1 Introduction

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 4-1.

4.2 Services Potentially Involved

Table 4-2 lists the full range of municipal services that are provided by the Town.

A number of these services are not listed as eligible services for inclusion in a D.C. by-law as per subsection 2 (4) of the D.C.A. These are shown as “ineligible” on Table 4-2. Two ineligible costs defined in subsection 5 (3) of the D.C.A. are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years.” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services which are potentially eligible for inclusion in the Town’s D.C. are indicated with a “Yes.”

4.3 Increase in the Need for Service

The D.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for each service to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, subsection 5 (1) 3, which requires that Council indicate that it intends to ensure that such an increase in need will be met, suggests that a project-specific expression of need would be most appropriate.



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
19. Other	Yes	19.1 Interest on money borrowed to pay for growth-related capital 19.2 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land [2] and facilities, including the D.C. background study cost

[2] same percentage as service component to which it pertains

4.4 Local Service Policy

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. The Town's Local Service Policy is included in Appendix E.

4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;



- d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- e) interest on money borrowed to pay for the above-referenced costs;
- f) costs to undertake studies in connection with the above-referenced matters; and
- g) costs of the D.C. background study.

In order for an increase in need for service to be included in the D.C. calculation, municipal Council must indicate “that it intends to ensure that such an increase in need will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the Town ’s approved and proposed capital budgets and master servicing/needs studies.

4.6 Treatment of Credits

Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the service.” Subsection 17, paragraph 4, of the same regulation indicates that, “...the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

The Town has no outstanding D.C. credit obligations.

4.7 Eligible Debt and Committed Excess Capacity

Section 66 of the D.C.A. states that for the purposes of developing a D.C. by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O. Reg. 82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.



In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be “committed,” that is, either before or at the time it was created, Council must have expressed a clear intention that it would be paid for by D.C.s or other similar charges. For example, this may have been done as part of previous D.C. processes.

4.8 Existing Reserve Funds

Section 35 of the D.C.A. states that:

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1).”

There is no explicit requirement under the D.C.A. calculation method set out in s.s.5(1) to net the outstanding reserve fund balance as part of making the D.C. calculation; however, s.35 does restrict the way in which the funds are used in future.

The Town’s D.C. Reserve Funds balances, by service, are presented in Table 4-3 below. 2022 year-end reserve fund balances have been adjusted to account for eligible and actual reserve fund draws and commitments occurring over the 2019 to 2023 period. Furthermore, the reserve funds have also been adjusted to account for actual 2023 D.C. revenues. These balances have been applied against future spending requirements for all services.

Table 4-3
Town of Ingersoll
Estimated D.C. Reserve Funds Balances

	2022 Year- End Reserve Fund Balance	2019-2023 Adjustment	2023 Revenue	Adjusted Balance
Fire Services	(90,584)	(17,083)	4,656	(103,011)
Roads and Related Services	757,654	(389,090)	86,090	454,654
Parks and Recreation	555,831	11,727	31,496	599,054
Administration Studies	145,382	(53,202)	9,380	101,560
Total	1,368,283	(447,648)	131,621	1,052,256



4.9 Deductions

The D.C.A. potentially requires that four deductions be made to the increase in the need for service. These relate to:

- the level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed as follows:

4.9.1 Reduction Required by Level of Service Ceiling

This is designed to ensure that the increase in need included in 4.3 does “...not include an increase that would result in the level of service (for the additional development increment) exceeding the average level of the service provided in the Municipality over the 15-year period immediately preceding the preparation of the background study...”

O. Reg. 82.98 (s.4) goes further to indicate that, “...both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area or road length per capita, and a quality measure in terms of the average cost of providing such units based on replacement costs, engineering standards or recognized performance measurement systems, depending on circumstances. When the quantity and quality factors are multiplied together, they produce a measure of the level of service which meets the requirements of the Act, i.e., cost per unit.

The average service level calculation sheets for each service component in the D.C. calculation are set out in Appendix B.

4.9.2 Reduction for Uncommitted Excess Capacity

Paragraph 5 of subsection 5 (1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the municipality’s “excess capacity,” other than excess capacity which is “committed.”



“Excess capacity” is undefined, but in this case must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of uncommitted excess capacity from the future increase in the need for service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a road widening to accommodate increased traffic is not required because sufficient excess capacity is already available, then widening would not be included as an increase in need, in the first instance.

4.9.3 Reduction for Benefit to Existing Development

Section 5 (1) 6 of the D.C.A. provides that, “The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development.” The general guidelines used to consider benefit to existing development included:

- the repair or unexpanded replacement of existing assets that are in need of repair;
- an increase in average service level of quantity or quality (compare water as an example);
- the elimination of a chronic servicing problem not created by growth; and
- providing services where none previously existed (generally considered for water or wastewater services).

This step involves a further reduction in the need by the extent to which such an increase in service would benefit existing development. The level of service cap in section 4.9.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing library facilities simply replicates what existing residents are receiving, they receive very limited (or no) benefit as a result. On the other hand, where a clear existing service problem is to be remedied, a deduction should be made accordingly.



In the case of services such as recreation facilities, community parks, libraries, etc., the service is typically provided on a Town-wide system basis. For example, facilities of the same type may provide different services (i.e., leisure pool vs. competitive pool), different programs (i.e., hockey vs. figure skating), and different time availability for the same service (i.e., leisure skating available on Wednesdays in one arena and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Further, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

4.9.4 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies, and other contributions (including direct developer contributions required due to the local service policy) made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes (O. Reg. 82/98, section 6).

4.10 Town-Wide vs. Area Rating

This step involves determining whether all the subject costs are to be recovered on a uniform Town-wide basis or whether some or all are to be recovered on an area-specific basis. Under the D.C.A., it is now mandatory to “consider” area-rating of services (providing charges for specific areas and services), however, it is not mandatory to implement area-rating. Further discussion is provided in section 7.3.8.

4.11 Allocation of Development

This step involves relating the costs involved to anticipated development for each period under consideration and using allocations between residential and non-residential



development and between one type of development and another, to arrive at a schedule of charges.



outstanding growth-related debt payments for road reconstruction and infrastructure improvements within Southwest Ingersoll. In total, \$11.0 million in gross capital costs of growth-related projects have been identified. \$2.6 million has been deducted as a benefit to existing development and \$2.3 million removed for growth-related costs that are of a benefit to growth beyond the 10-year forecast period. After deducting \$455,000 to account for the current D.C. reserve fund surplus and deducting \$392,000 for the local service share of new roads, \$5.3 million of costs are included in the calculation of the charge.

These D.C. eligible costs are then attributed 64% to residential development and 36% to non-residential development based on the relationship of population to employment growth anticipated over the 10-year forecast period (i.e., 2,760 population and 1,572 employment). These growth-related projects and costs are detailed in Table 5-1.

5.2.2 Fire Protection Services

Fire protection services in the Town are provided through three fire halls and two other fire facilities. Included within these five fire facilities are eight vehicles and 103 items of equipment. This total historical level of investment results in an average level of service of \$769 per capita over the past 15-years. When applied against the anticipated population growth over the 10-year forecast period (i.e., 2,760 net population growth including institutional population), this results in a maximum D.C. eligible amount of \$2.1 million that could be included in the calculation of the charge.

To provide service to new development over the 10-year forecast period, \$5.7 million in gross capital costs of growth-related projects have been identified which primarily include a new facility in South Ingersoll and a pumper truck. \$3.6 million has been deducted for growth-related costs that are of a benefit to growth beyond the 10-year forecast period. After adding \$103,000 to account for the current D.C. reserve fund deficit, \$2.1 million of costs are included in the calculation of the charge.

These D.C. eligible costs are then attributed 64% to residential development and 36% to non-residential development based on the relationship of population to employment growth anticipated over the 10-year forecast period (i.e., 2,760 population and 1,572 employment). These growth-related projects and costs are detailed in Table 5-2.



5.2.3 Parks and Recreation Services

The Town currently provides parks and recreation services through 65 park amenities, 8,550 metres of trails 28 vehicles, and 105,168 sq.ft of facility space. This total historical level of investment results in an average level of service of \$4,625 per capita over the past 15-years. When applied against the anticipated population growth over the 10-year forecast period (i.e., 2,760 net population growth including institutional population), this results in a maximum D.C. eligible amount of \$12.8 million that could be included in the calculation of the charge.

To provide service to new development over the 10-year forecast period, \$55.0 million in gross capital costs of growth-related projects have been identified including the construction of new multi-purpose recreation centre and the provision of a second ice pad. \$17.3 million has been deducted as a benefit to existing development and \$26.1 million is removed for growth-related costs that are of a benefit to growth beyond the 10-year forecast period. After deducting \$599,000 to account for the current D.C. reserve fund surplus, \$9.8 million of costs are included in the calculation of the charge.

These D.C. eligible costs are then attributed 95% to residential development as they are the primary uses of parks and recreation services. These growth-related projects and costs are detailed in Table 5-3.

5.2.4 Growth-Related Studies

Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, Section 7 (3) of the D.C.A. states that:

For greater certainty, a development charge by-law may provide for a class consisting of studies in respect of any service listed in subsection 2 (4) whose capital costs are described in paragraphs 5 and 6 of subsection 5 (3).

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include a class for growth-related studies. This class is comprised of the following municipal-wide services:



- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Stormwater Management Services; and
- Growth-Related Studies.

The following provides a list of the studies that have been identified for the 2024 to 2034 forecast period:

- D.C. Background Studies (2028 & 2033);
- Secondary Plan (2033);
- Stormwater Plan (2027); and
- Asset Management Plan (2027/2028).

Future D.C. background studies, secondary plans, and asset management plans have been allocated to the services in the following manner:

- Services Related to a Highway – 30.9%
- Fire Protection Services – 12.3%
- Parks and Recreation Services – 56.8%

The total cost of these studies is \$550,000 of which \$146,900 is a benefit to existing development. A deduction of \$21,100 has been made to recognize the portion of planning studies related to D.C.-ineligible services, as mentioned above. After deducting \$101,560 to account for the current D.C. reserve fund surplus, and deducting \$101,250 in grants and subsidies, \$179,200 of D.C.-eligible costs are included in the calculation of the charge as presented in Table 5-4.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-5 below.



**Table 5-1
Infrastructure Costs Covered in the D.C. Calculation – Services Related to a Highway**

Prj. No	Increased Service Needs Attributable to Anticipated Development 2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost			
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 64%	Non-Residential Share 36%	
Roads											
1	NPV Principal - King Street West Reconstruction	2024-2025	160,265	-	160,265	96,200		64,065	41,001	23,063	
2	NPV Interest - King Street West Reconstruction	2024-2025	10,095	-	10,095	6,100		3,995	2,557	1,438	
New Roads											
3	South of Clarke Road	New residential collector road (450 m)	2024-2033	871,380	154,300	717,080		392,000	325,080	208,051	117,029
New Upgrades											
4	Union Road west of Culloden	Upgrade from local to collector (775 m)	2024-2033	877,560	252,600	624,960	93,000		531,960	340,454	191,506
5	Union Road between Culloden & Curry	Upgrade from local to collector (700 m)	2024-2033	793,100	228,300	564,800	84,000		480,800	307,712	173,088
6	Curry Road between Union and Plank	Upgrade from local to collector (2460 m)	2024-2033	2,784,090	801,300	1,982,790	295,200		1,687,590	1,080,058	607,532
7	Wallace Line (& Thompson Rd)	Upgrade from local to collector (3400 m)	2024-2033	2,246,700	226,900	2,019,800	1,542,000		477,800	305,792	172,008
8	Clarke Road east of Plank Line	Upgrade from rural to minor arterial cross section (725 m)	2024-2033	1,981,720	538,200	1,443,520	310,000		1,133,520	725,453	408,067
Rail Crossings											
9	Curry Road	Active Crossing (flashing lights and bells)	2024-2033	167,900	48,700	119,200	16,800		102,400	65,536	36,864
10	Thomas Road west of Wallace Line	Active Crossing (flashing lights and bells)	2024-2033	167,900	48,700	119,200	16,800		102,400	65,536	36,864
Public Works											
11	Salt Brine Tankage & Containment		2025-2026	51,500	-	51,500	41,200		10,300	6,592	3,708
12	Salt Storage Expansion		2025	103,000	-	103,000	-		103,000	65,920	37,080
13	Public Works Garage Addition (2 Bays)		2024-2029	705,600	-	705,600	-		705,600	451,584	254,016
Studies											
14	Roads Needs Study		2025	50,000	-	50,000	25,000		25,000	16,000	9,000
15	Roads Needs Study		2030	50,000	-	50,000	25,000		25,000	16,000	9,000
Reserve Fund Adjustment											
				-	-	-	-		(454,654)	(290,979)	(163,676)
				-	-	-	-		-	-	-
Total			11,020,810	2,299,000	8,721,810	2,551,300	392,000	5,323,856	3,407,268	1,916,588	



**Table 5-2
Infrastructure Costs Covered in the D.C. Calculation – Fire Protection Services**

Prj. No	Increased Service Needs Attributable to Anticipated Development 2024-2033	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 64%	Non- Residential Share 36%
1	Gear for additional firefighters (13)	2024-2033	60,580	38,961	21,619	-		21,619	13,836	7,783
2	SCBA equipment (8)	2024-2033	37,120	23,873	13,247	-		13,247	8,478	4,769
3	New Facility in South Ingersoll	2024-2033	4,296,000	2,762,933	1,533,067	-		1,533,067	981,163	551,904
4	Pumper	2024-2033	1,133,000	728,678	404,322	-		404,322	258,766	145,556
5	Extrication Equipment	2024-2033	52,500	33,765	18,735	-		18,735	11,990	6,745
6	Pick-up Truck	2024-2033	82,400	52,995	29,405	-		29,405	18,819	10,586
	Reserve Fund Adjustment							103,011	65,927	37,084
	Total		5,661,600	3,641,205	2,020,395	-	-	2,123,406	1,358,980	764,426



**Table 5-3
Infrastructure Costs Covered in the D.C. Calculation – Parks and Recreation Services**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024-2033								95%	5%
	Indoor Recreation		-	-	-	-		-	-	-
1	Multi-Purpose Recreation Centre	2024-2033	42,583,000	15,793,800	26,789,200	17,138,500	1,133,156	8,517,544	8,091,667	425,877
2	Provision for Second Ice Pad	2024-2033	10,350,000	10,350,000	-	-	-	-	-	-
	Parkland		-	-	-	-		-	-	-
3	Provision for New Parkland Development	2024-2033	500,000	-	500,000	-		500,000	475,000	25,000
4	Provision for Vehicles and Equipment	2024-2033	516,000	-	516,000	-		516,000	490,200	25,800
5	Ball Diamonds (2)	2024-2033	438,600	-	438,600	-		438,600	416,670	21,930
6	Basketball Court	2024-2033	38,700	-	38,700	-		38,700	36,765	1,935
7	Skate Park	2024-2033	124,200	-	124,200	-		124,200	117,990	6,210
8	Riverfront Park & Trail Development - Phase 1	2024-2033	139,200	-	139,200	-		139,200	132,240	6,960
9	Installation of New Water Feature - Splash pad	2024-2033	210,000	-	210,000	176,100		33,900	32,205	1,695
	Studies		-	-	-	-		-	-	-
10	Recreation Master Plan	2032	90,000	-	90,000	22,500		67,500	64,125	3,375
			-	-	-	-		-	-	-
	Reserve Fund Adjustment		-	-	-	-		(599,054)	(569,101)	(29,953)
			-	-	-	-		-	-	-
	Total		54,989,700	26,143,800	28,845,900	17,337,100	1,133,156	9,776,590	9,287,761	488,830



**Table 5-4
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	
	2024-2033								
1	D.C. Background Study	2028	40,000	-		40,000	-		40,000
2	D.C. Background Study	2033	40,000	-		40,000	-		40,000
3	Secondary Plan	2033	270,000	-	20,250	249,750	67,500	101,250	81,000
4	Stormwater Plan	2027	150,000	-		150,000	37,500		112,500
5	Asset Management Plan	2027-2028	50,000	-	810	49,190	41,900		7,290
			-	-		-	-		-
			-	-		-	-		-
	Reserve Fund Adjustment			-		-	-		(101,560)
	Total		550,000	-	21,060	528,940	146,900	101,250	179,230



Table 5-5
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies – Residential/Non-Residential Shares

Class/ Service	Total	Residential Share	Non-Residential Share
Fire Protection Services	8,227	5,265	2,962
Services Related to a Highway	20,626	13,201	7,425
Parks and Recreation Services	37,877	35,984	1,894
Stormwater Management Services	112,500	72,000	40,500
Total	179,230	126,449	52,781
Residential/Non-Residential %		71%	29%



6. D.C. Calculation

The calculation of the maximum D.C.s that could be imposed by Council has been undertaken using a cash-flow approach for the growth-related capital costs identified in Chapter 5. Table 6-1 presents the Town-wide D.C. calculation for all Town-wide services over the 10-year planning horizon (i.e., 2024-2034).

The calculation for residential development is generated on a per capita basis and is based upon four forms of housing types (single and semi-detached, apartments 2+ bedrooms, apartment's bachelor and 1 bedroom, and all other multiples). Special care/special needs facilities would be considered residential dwelling units and charged the small apartment D.C. The non-residential D.C. has been calculated uniformly on a per sq.m. of G.F.A. basis.

Wind Turbine developments would be defined as industrial development within the growth forecast. As these developments do not produce G.F.A. similar to other industrial developments, a charging mechanism is deemed. For each Wind Turbine, a charge is deemed equivalent to a residential single detached unit, as it relates to Services Related to a Highway, Fire Protection Services, and Growth-Related Studies.

The cash-flow calculations of the maximum D.C.s that could be imposed by Council have been undertaken to account for the timing of revenues and expenditures and the resultant financing needs. The cash-flow calculations have been undertaken by service for each forecast development type, i.e. residential, and non-residential. D.C. cash flow calculation tables are provided in Appendix C and have been undertaken to account for 1% earnings on D.C. reserve fund balances and 3% interest charged for reserve fund borrowing.

Table 6-2 summarizes the recommended schedule of charges, reflecting the maximum D.C.s by residential dwelling type, per sq.m. of G.F.A. for non-residential development, and per wind turbine.

Table 6-3 compares the Town's existing charges to the charges proposed herein in Table 6-2, for a single detached residential dwelling unit and per sq.m. of G.F.A. for non-residential development. The proposed charges are \$14,765 for a single detached residential dwelling unit, and \$16.20 per sq.m. of non-residential G.F.A. The proposed residential charges for a single detached dwelling unit represent a 202% increase



(+\$9,876) over the current charges of \$4,890. The non-residential charges per sq.m. represent a 4% increase (+\$0.69) over the current charges of \$15.51. The Town does not currently impose D.C.s on non-residential development.

Table 6-1
Town-Wide Services D.C. Calculation
2024-2034

SERVICE/CLASS	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.m.
	\$	\$	\$	\$
1. Services Related to a Highway	3,407,268	1,916,588	3,536	9.62
2. Fire Protection Services	1,358,980	764,426	1,409	3.83
3. Parks and Recreation Services	9,287,761	488,830	9,678	2.46
4. Growth-Related Studies	126,449	52,781	142	0.29
TOTAL	\$14,180,458	\$3,222,625	\$14,765	16.20
Financing Costs/(Earnings)	\$66,999	\$10,258		
D.C.-Eligible Capital Cost	\$14,113,459	\$3,212,367		
10-Year Gross Population/GFA Growth (sq.m.)	2,807	199,537		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$5,027.95	\$16.10		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.909	\$14,626		
Other Multiples	2.179	\$10,956		
Apartments - 2 Bedrooms +	1.745	\$8,776		
Apartments - Bachelor and 1 Bedroom	1.108	\$5,571		

Table 6-2
Schedule of Calculated D.C.s

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	3,536	2,649	2,122	1,347	9.62	3,536
Fire Protection Services	1,409	1,056	846	537	3.83	1,409
Parks and Recreation Services	9,678	7,249	5,807	3,686	2.46	
Growth-Related Studies	142	106	85	54	0.29	142
Total Municipal Wide Services/Class of Services	14,765	11,060	8,860	5,624	16.20	5,087



Table 6-3
Comparison of Current and Calculated D.C.s

Residential (Single Detached) Comparison

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Services Related to a Highway	4,030	3,536	(494)	-12%
Fire Protection Services	403	1,409	1,007	250%
Parks and Recreation Services	270	9,678	9,408	3480%
Growth-Related Studies	187	142	(45)	-24%
Total Municipal Wide Services/Classes	4,890	14,765	9,876	202%

Non-Residential (per sq.m.) Comparison

Service/Class of Service	Current	Calculated (2024\$)	Change (\$)	Change (%)
Municipal Wide Services/Classes:				
Services Related to a Highway	13.40	9.62	(3.78)	-28%
Fire Protection Services	1.34	3.83	2.49	186%
Parks and Recreation Services	0.18	2.46	2.29	1302%
Growth-Related Studies	0.60	0.29	(0.31)	-52%
Total Municipal Wide Services/Classes	15.51	16.20	0.69	4%



7. D.C. Policy Recommendations and D.C. Policy Rules

7.1 Introduction

This chapter outlines the D.C. policy recommendations and by-law rules.

Subsection 5 (1) 9 of the D.C.A. states that rules must be developed:

“to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection 6.”

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

Subsection 5 (6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under subsection 5 (1) 2-7 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” section 6 states that a D.C. by-law must expressly address the matters referred to above re subsection 5 (1) paragraphs 9 and 10, as well as how the rules apply to the redevelopment of land.

The rules provided give consideration for the recent changes to the D.C.A. resulting from Bills 109, 23, 97, 134 and 185. However, these policies are provided for Council’s consideration and may be refined prior to adoption of the by-law.



based on the amount of square feet of G.F.A. constructed for eligible uses (i.e., primary, industrial, commercial, and institutional).

2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, as follows:

- For Parks and Recreation Services, a 5% non-residential attribution has been made to recognize use by the non-residential sector; and
- For Fire Protection Services, and Services Related to a Highway and 64% residential and 36% non-residential attribution has been made based on a population vs. employment growth ratio over the Town-wide forecast period.
- For Growth-Related Studies, an 71% residential and 29% non-residential attribution has been made based on the allocations summarized in Table 5-5.

7.3.3 Application to Redevelopment of Land (Demolition and Conversion)

If a development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than 60 months (5 years) prior to the issuance of a building permit.

The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable. In cases where the existing residential dwelling cannot be removed until the new dwelling is constructed, the applicant can apply for a refund, provided the existing residential dwelling unit is removed within an agreed upon time period.

7.3.4 Exemptions (full or partial)

Statutory

- The municipality or local board thereof;



- A board of education;
- Industrial additions of up to and including 50% of the existing G.F.A. of the building – for industrial additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s. Exemptions will only apply to 50% of the G.F.A. prior to the first expansion for which there was an exemption to the payment of D.C.s.
- An enlargement to an existing dwelling unit;
- Additional units in existing and new residential buildings:
 - May add up to two apartments for a single detached, semi-detached or row house (only one unit can be in an ancillary structure)
 - One additional unit or 1% of the units in an existing rental residential building with four or more residential units
- Affordable Units, Attainable Units, and Inclusionary Zoning Units;
- Non-Profit Housing; and
- Universities.

Non-Statutory

- Non-residential uses;
- Non-residential farm buildings;
- Places of worship;
- Public hospitals;
- Temporary buildings and structures;
- Long-term care homes;
- Affordable housing; and
- Temporary dwelling units.

For the purposes of funding non-statutory exemptions, the charge for Farm Buildings as defined in the by-law, has been determined to be \$0.59 per sq.m. of G.F.A. reflective of the lower demand for service and density of development.

7.3.5 Transition

The by-law will come into effect on June 13, 2024.



7.3.6 Timing of Collection

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Town and an owner under s. 27 of the D.C.A.

Rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy. Moreover, the D.C. amount for all developments occurring within 18 months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the Town can impose is the average prime rate plus 1% as defined in s.s. 26.3(1) of the Act.

7.3.7 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually on June 13th (i.e., the anniversary date of the by-law coming into effect) each year in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0135-01)¹ for the most recent year-over-year period.

7.3.8 D.C Spatial Applicability

The D.C.A. historically has provided the opportunity for a municipality to impose Town-wide charges or area specific charges. Sections 2(7) and 2(8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it and more than one D.C. by-law may apply to the same area. The D.C.A. now requires municipalities to consider the application of Town-wide and area-specific D.C.s. s.10(2)(c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from

¹ O. Reg. 82/98 referenced “The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007” as the index source. Since implementation, Statistics Canada has modified this index twice and the above-noted index is the most current. The draft by-laws provided herein refers to O. Reg. 82/98 to ensure traceability should this index continue to be modified over time.



services in different areas. Most municipalities in Ontario have established uniform, Town-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

The rationale for maintaining a Town-wide D.C. approach is based, in part, on the following:

- The 15-year service level from all applicable services across the Town can be included to establish an upper ceiling on the amount of funds which can be collected. If a D.C. by-law applied to only a part of the Town, the level of service cannot exceed that which would be determined if the by-law applied to the whole municipality. As such, when applied to forecast growth within the specific area, it would establish an area specific level of service ceiling which could reduce the total revenue recoverable for the municipality, potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
- Town-wide D.C.s ensures a consistent approach to financing the entire cost associated with growth-related capital projects. For example, user rates and property taxes are required to finance the share of growth-related capital projects not recoverable by D.C.s and all associated operating costs. Therefore, the use of area specific D.C.s results in a share of growth-related capital costs being recovered from a specific area, with the remaining capital costs of the projects (i.e., non-D.C. recoverable share) and the associated operating costs with those new assets being recovered from uniform user rates and property taxes, applied to the entire Town.
- Attempting to impose an area-specific D.C. potentially causes equity issues in transitioning from a Town-wide approach to an area-specific approach. An area of a municipality that is less developed and becomes subject to an area specific D.C., could face a significant increase in D.C. rates, as the municipality will not benefit from drawing on the pool of D.C. funding and may have contributed D.C.s to fund capital required to support development in other communities of the municipality. Whereas another part of the municipality that has experienced significant growth which required substantial capital investments, benefitted from the capital investments being financed by Town-wide D.C.s. The implementation of area specific D.C.s could result in varying D.C.s across the municipality, which may impact the ability to attract investment into parts of the community.



- Services are generally available across the municipality, used often by all residents and are not restricted to one specific geographic area. The use of a Town-wide D.C. approach reflects these system-wide benefits of service and more closely aligns with the funding principles of service provision (e.g., uniform Town-wide property tax rates, etc.).

Based on the foregoing and discussions with staff, the municipal practice of providing and funding services on a Town-wide basis is proposed to be maintained.

7.4 Other D.C. By-law Provisions

It is recommended that:

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Town's D.C. collections be contributed into four (4) separate reserve funds, including:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services; and
- Growth-Related Studies.

7.4.2 By-law In-force Date

The by-law will come into force on June 13, 2024.

7.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing

The minimum interest rate is the Bank of Canada rate on the day on which the by-laws come into force (as per s.11 of O. Reg. 82/98).



7.5 Other Recommendations

It is recommended that Council:

“Adopt the D.C. approach to calculate the charges on a uniform Town-wide basis for all services within this background study.”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated April 10, 2024, as amended, subject to further annual review during the capital budget process.”

“Approve the D.C. Background Study dated April 10, 2024, as amended.”

“Determine that no further public meeting is required.” and

“Approve the D.C. By-law as set out in Appendix F”.



The asset management requirement for this D.C. Background Study has been undertaken independently of any Town A.M.P.s.

8.2 Asset Management Plan

In recognition to the schematic in Section 8.1, the following table (presented in 2024\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. Furthermore, as only the present infrastructure gap has been considered at this time within the A.M.P., the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects which will require financing from Town financial resources (i.e., taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2024 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are \$5.3 million. Of this total, \$1.5 million relates the annual debt payment costs for benefit to existing development of growth-related needs.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are \$3.2 million. This amount, totalled with the existing operating revenues of \$28.7 million, provides annual revenues of \$31.9 million by the end of the period.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Table 8-1
Asset Management – Future Expenditures and Associated Revenues (2024\$)

	2033 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	\$1,450,561
Annual Debt Payment on Post Period Capital ²	\$2,360,797
Lifecycle:	
Annual Lifecycle - Municipal-wide Services	\$844,494
Incremental Operating Costs (for D.C. Services)	\$1,438,877
Total Expenditures	\$5,250,235
Revenue (Annualized)	
Total Existing Revenue ³	\$28,654,973
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$3,242,901
Total Revenues	\$31,897,874

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Table C-1
Cash Flow Calculation – Services Related to a Highway – Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$1,215.47	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	290,979	406,902	406,902		281	1,215.47	341,184	225,260	2,581	227,841
2025	227,841	492,118	506,882		281	1,251.94	351,419	72,378	1,501	73,879
2026	73,879	388,419	412,074		281	1,289.50	361,962	23,767	488	24,256
2027	24,256	385,123	420,835		281	1,328.18	372,821	(23,758)	2	(23,756)
2028	(23,756)	385,123	433,460		281	1,368.03	384,005	(73,210)	(1,454)	(74,665)
2029	(74,665)	385,123	446,463		281	1,409.07	395,525	(125,603)	(3,004)	(128,607)
2030	(128,607)	325,859	389,093		281	1,451.34	407,391	(110,309)	(3,584)	(113,892)
2031	(113,892)	309,859	381,088		281	1,494.88	419,613	(75,367)	(2,839)	(78,206)
2032	(78,206)	309,859	392,520		281	1,539.73	432,201	(38,525)	(1,751)	(40,276)
2033	(40,276)	309,859	404,296		281	1,585.92	445,167	595	(595)	0
Total		3,698,246	4,193,613	0	2,807		3,911,288		-8,654	



Table C-2
Cash Flow Calculation – Services Related to a Highway – Non-Residential

D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$9.618	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
	Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
163,676	228,883	228,883		19,954	9.618	191,916	126,709	1,452	128,161
128,161	276,817	285,121		19,954	9.907	197,673	40,713	844	41,557
41,557	218,486	231,792		19,954	10.204	203,603	13,369	275	13,644
13,644	216,632	236,719		19,954	10.510	209,712	(13,364)	1	(13,363)
(13,363)	216,632	243,821		19,954	10.825	216,003	(41,181)	(818)	(41,999)
(41,999)	216,632	251,136		19,954	11.150	222,483	(70,652)	(1,690)	(72,341)
(72,341)	183,296	218,865		19,954	11.484	229,158	(62,049)	(2,016)	(64,064)
(64,064)	174,296	214,362		19,954	11.829	236,032	(42,394)	(1,597)	(43,991)
(43,991)	174,296	220,793		19,954	12.184	243,113	(21,670)	(985)	(22,655)
(22,655)	174,296	227,416		19,954	12.549	250,407	335	(335)	0
	2,080,264	2,358,907	0	199,537		2,200,100		-4,868	



**Table C-5
Cash Flow Calculation – Parks and Recreation Services – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$3,326.86	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	569,101	979,274	979,274		281	3,326.86	933,851	523,678	5,464	529,142
2025	529,142	979,274	1,008,652		281	3,426.67	961,866	482,357	5,057	487,414
2026	487,414	979,274	1,038,911		281	3,529.47	990,722	439,225	4,633	443,859
2027	443,859	979,274	1,070,079		281	3,635.35	1,020,444	394,224	4,190	398,414
2028	398,414	979,274	1,102,181		281	3,744.42	1,051,057	347,291	3,729	351,019
2029	351,019	979,274	1,135,247		281	3,856.75	1,082,589	298,362	3,247	301,609
2030	301,609	979,274	1,169,304		281	3,972.45	1,115,067	247,371	2,745	250,116
2031	250,116	979,274	1,204,383		281	4,091.62	1,148,519	194,252	2,222	196,474
2032	196,474	1,043,399	1,321,746		281	4,214.37	1,182,974	57,702	1,271	58,973
2033	58,973	979,274	1,277,730		281	4,340.80	1,218,464	(293)	293	0
Total		9,856,862	11,307,507	0	2,807		10,705,554		32,851	



Table C-6
Cash Flow Calculation – Parks and Recreation Services – Non-Residential

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$2.463	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	29,953	51,541	51,541		19,954	2.463	49,150	27,562	288	27,850
2025	27,850	51,541	53,087		19,954	2.537	50,625	25,387	266	25,653
2026	25,653	51,541	54,680		19,954	2.613	52,143	23,117	244	23,361
2027	23,361	51,541	56,320		19,954	2.692	53,708	20,749	221	20,969
2028	20,969	51,541	58,010		19,954	2.772	55,319	18,278	196	18,475
2029	18,475	51,541	59,750		19,954	2.856	56,978	15,703	171	15,874
2030	15,874	51,541	61,542		19,954	2.941	58,688	13,020	144	13,164
2031	13,164	51,541	63,389		19,954	3.029	60,448	10,224	117	10,341
2032	10,341	54,916	69,566		19,954	3.120	62,262	3,037	67	3,104
2033	3,104	51,541	67,249		19,954	3.214	64,130	(15)	15	0
Total		518,782	595,132	0	199,537		563,450		1,729	



**Table C-7
Cash Flow Calculation – Growth-Related Studies – Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Population Growth	\$48.86	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		Per Capita per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings/ (Cost)	
2024	71,652	-	-	-	281	48.86	13,716	85,367	785	86,152
2025	86,152	-	-	-	281	50.33	14,127	100,280	932	101,212
2026	101,212	-	-	-	281	51.84	14,551	115,763	1,085	116,847
2027	116,847	81,942	89,540	-	281	53.39	14,987	42,295	796	43,091
2028	43,091	30,792	34,657	-	281	54.99	15,437	23,871	335	24,206
2029	24,206	-	-	-	281	56.64	15,900	40,106	322	40,427
2030	40,427	-	-	-	281	58.34	16,377	56,805	486	57,291
2031	57,291	-	-	-	281	60.09	16,869	74,159	657	74,817
2032	74,817	-	-	-	281	61.90	17,375	92,191	835	93,026
2033	93,026	85,367	111,385	-	281	63.75	17,896	(463)	463	0
Total		198,101	235,582	0	2,807		157,235		6,695	



**Table C-8
Cash Flow Calculation – Growth-Related Studies – Non-Residential**

Year	D.C. Reserve Fund Opening Balance	Development Related Expenditures	Development Related Expenditures	Development Related Long-Term Debt	Sq. M. of Gross Floor Area	\$0.287	Anticipated Revenues	Annual Surplus/ (Deficit)	1% / 3%	D.C. Reserve Fund Closing Balance after Interest
		Nominal Project Cost	Project Cost Inflated at 3%	Existing Debt Payments		per sq.m. per Year Inflated at (3%) Starting in 2025			D.C. Reserve Fund Interest Earnings /(Cost)	
2024	29,908	-	-	-	19,954	0.287	5,725	35,633	328	35,961
2025	35,961	-	-	-	19,954	0.296	5,897	41,857	389	42,246
2026	42,246	-	-	-	19,954	0.304	6,074	48,320	453	48,773
2027	48,773	34,203	37,375	-	19,954	0.314	6,256	17,654	332	17,986
2028	17,986	12,853	14,466	-	19,954	0.323	6,444	9,964	140	10,104
2029	10,104	-	-	-	19,954	0.333	6,637	16,740	134	16,875
2030	16,875	-	-	-	19,954	0.343	6,836	23,711	203	23,914
2031	23,914	-	-	-	19,954	0.353	7,041	30,955	274	31,229
2032	31,229	-	-	-	19,954	0.363	7,252	38,481	349	38,830
2033	38,830	35,633	46,493	-	19,954	0.374	7,470	(193)	193	0
Total		82,689	98,333	0	199,537		65,631		2,795	



Appendix D

Long-Term Capital and Operating Cost Examination



Appendix D: Long-Term Capital and Operating Cost Examination

As a requirement of the D.C.A. under subsection 10(2)(c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable and prorate the cost on a per unit basis (i.e., sq.ft. of building space, per vehicle, etc.). This was undertaken through a review of the Town's 2022 Financial Information Return.

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as lifecycle cost. By definition, lifecycle costs are all the costs which are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The method selected for lifecycle costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement.

Table D-1 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while municipal program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

Table D-1
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE/CLASS		ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1.	Services Related to a Highway	291,501	371,773	663,275
2.	Fire Protection Services	96,331	233,115	329,446
3.	Parks and Recreation Services	456,663	833,988	1,290,651
Total		844,494	1,438,877	2,283,371

Town of Ingersoll

By-Law No. XXXX-2024

A By-law to Establish Town-Wide Development Charges for the Town of Ingersoll

WHEREAS subsection 2 (1) of the *Development Charges Act, 1997*, S.O. 1997, c.27 (hereinafter called “the Act”) provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for Services arising from the Development of the area to which the by-law applies;

AND WHEREAS Council has before it a report entitled “Development Charges Background Study” (the “Study”), the Town of Ingersoll hereinafter referred to as the “Town”, dated April 10, 2024 by Watson & Associates Economists Ltd., wherein it is indicated that the Development of any land within the Town will increase the need for Services as defined herein;

AND WHEREAS Council gave notice to the public and held a public meeting pursuant to section 12 of the Act on May 13, 2024 prior to and at which the Study and the proposed Development Charge by-law were made available to the public in accordance with the Act and regulations thereto and Council heard comments and representations from all persons who applied to be heard (the “Public Meeting”);

AND WHEREAS Council intends to ensure that the increase in the need for Services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate;

AND WHEREAS by approval of the Study, dated April 10, 2024, Council has indicated its intent that the future excess capacity identified in the Study, shall be paid for by the development charges or other similar charges.

NOW THEREFORE THE COUNCIL OF THE TOWN OF INGERSOLL ENACTS AS FOLLOWS:

1. **DEFINITIONS**

In this by-law,

- (1) “**Act**” means the *Development Charges Act, 1997*, c. 27, as amended;
- (2) “**Affordable housing**” means Dwelling Units and incidental facilities, primarily for persons of low and moderate income, that meet the requirements of any program for such purpose as administered by any agency of the Federal or Provincial government, the County of Oxford and/or the Area Municipality and for which an agreement has been entered into with the County of Oxford with respect to the provision of such Dwelling Units and facilities;

- (3) “**Apartment Dwelling**” means any Dwelling Unit within a Building containing more than four Dwelling Units where the units are connected by an interior corridor. Notwithstanding the foregoing, an Apartment Dwelling includes a Stacked Townhouse Dwelling;
- (4) “**Area Municipality**” means a lower-tier municipality that forms part of the County of Oxford;
- (5) “**Back-to-back Townhouse Dwelling**” means a building containing four (4) or more Dwelling Units separated vertically by a common wall, including a rear common wall, that does not have a rear yard with amenity area;
- (6) “**Bedroom**” means a habitable room larger than seven square metres, including a den, study, or other similar area, but does not include a living room, dining room or kitchen;
- (7) “**Board of Education**” means a board defined in subsection 1 (1) of the *Education Act*, R.S.O. 1990, c. E,2, as amended;
- (8) “**Building Code Act**” means the *Building Code Act*, R.S.O. 1992, S.O. 1992, c. 23, as amended;
- (9) “**Building**” means a permanent enclosed structure occupying an area greater than ten square metres (10 m²) and, notwithstanding the generality of the foregoing, includes, but is not limited to:
 - (a) An above-grade storage tank;
 - (b) An air-supported structure;
 - (c) An industrial tent;
 - (d) A roof-like structure over a gas-bar or service station; and
 - (e) An area attached to and ancillary to a retail Development delineated by one or more walls or part walls, a roof-like structure, or any one or more of them;
- (10) “**Bunk House**” means a Building accessory to a permitted farming use containing kitchen and sanitary facilities and sleeping accommodation in individual or combination rooms for seasonal workers directly employed by the permitted use. For clarity, a Bunk House is not a Residential Use;
- (11) “**Capital Cost**” means costs incurred or proposed to be incurred by the Town or a local board thereof directly or by others on behalf of, and as authorized by, the Town or local board,
 - (a) to acquire land or an interest in land, including a leasehold interest;

- (b) to improve land;
- (c) to acquire, lease, construct or improve buildings and structures;
- (d) to acquire, lease, construct or improve facilities including (but not limited to),
 - (i) furniture and equipment, other than computer equipment; and
 - (ii) material acquired for circulation, reference or information purposes by a library board within the meaning of the *Public Libraries Act*; and
 - (iii) rolling stock with an estimated useful life of seven years or more;
- (e) interest on money borrowed to pay for costs in (a) to (e);
- (f) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study

required for provision of Services designated in this by-law within or outside the Town;

- (12) “**Council**” means the Council of the Town of Ingersoll;
- (13) “**Development**” means any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 5 of this by-law and including the redevelopment of land or the redevelopment, expansion, extension or alteration of a use, building or structure except interior alterations to an existing Building or structure which do not change or intensify the use of land;
- (14) “**Development Charge**” means a charge imposed pursuant to this by-law;
- (15) “**Dwelling**” or “**Dwelling Unit**” means any part of a building or structure with a room or suite of rooms used, or designed or intended for use, by one person or persons living together, in which sanitary facilities and a separate kitchen may or may not be provided for the exclusive use of such person or persons;
- (16) “**Farm Building**” means a Building or structure associated with and located on land devoted to the practice of farming, as defined by the *Farming and Food Production Protection Act, 1998*, and that is used essentially for the housing of farm equipment or livestock, or the production, storage or processing of agricultural and horticultural produce or feeds, and as part of or in connection with a bona fide farming operation and includes barns, silos, Bunk Houses,

and other Buildings or structures ancillary to that farming operation, but excludes:

- (a) any Building or portion thereof used or intended to be used for any other Non-Residential Use, including, but not limited to: retail sales; commercial services; restaurants; banquet facilities; hospitality and accommodation facilities; gift shops; contractors shops; services related to grooming, boarding, or breeding of household pets; and alcohol or cannabis production facilities;
- (17) “**Grade**” means the average level of finished ground adjoining a Building or structure at all exterior walls;
- (18) “**Gross Floor Area**” means the total floor area measured between the outside of exterior walls, or between the outside of exterior walls and the centre line of party walls dividing the Building from another Building, of all floors above the average level of finished ground adjoining the Building at its exterior walls;
- (19) “**Industrial Building**” means a Building used for or in connection with,
- (a) manufacturing, producing, processing, storing or distributing something;
 - (b) research or development in connection with manufacturing, producing or processing something;
 - (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production, or processing takes place;
 - (d) office or administrative purposes, if they are;
 - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 - (ii) in or attached to the Building or structure used for that manufacturing, producing, processing, storage or distribution;

and shall not include self-storage facilities or retail warehouses;

- (20) “**Institutional Development**” means development of a Building or structure intended for use,
- (a) as a long-term care home within the meaning of subsection 2(1) of the *Long-Term Care Homes Act, 2007*;

- (b) as a retirement home within the meaning of subsection 2(2) of the *Retirement Homes Act, 2010*;
 - (c) by any of the following post-secondary institutions for the objects of the institutions:
 - (i) a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario
 - (ii) a college or university federated or affiliated with a university described in subclause 1.19.3.2; or
 - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*
 - (d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
 - (e) as a hospice to provide end of life care
- (21) **“Local Board”** means a municipal service board, public utility commission, public library board, board of health, police services board or any other board, commission, committee or body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Town or any part or parts thereof, excluding a conservation authority, any municipal business corporation not deemed to be a local board under O. Reg. 168/03 under the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, and any corporation enacted under the *Electricity Act, 1998*, S.O. 1998, c. 15, Sched. A, as amended, or successor legislation;
- (22) **“Local Services”** means those services or facilities which are under the jurisdiction of the Town and are related to a plan of subdivision or within the area to which the plan relates, required as a condition of approval under s.51 of the *Planning Act*, or as a condition of approval under s.53 of the *Planning Act*;
- (23) **“Long-Term Care Home”** means the floor area of a facility directly related to beds that are licensed, regulated or funded by the Ministry of Health and Long-Term Care, in an approved charitable home for the aged (as defined in the *Charitable Institutions Act*, R.S.O. 1990, c. C.9), a home (as defined in the *Homes for the Aged and Rest Homes Act*, R.S.O. 1990, c. H.13), or a nursing home (as defined in the *Nursing Homes Act*, R.S.O. 1990, c. N.7);
- (24) **“Mezzanine”** means an intermediate floor assembly between the floor and ceiling of any room or storey and includes an interior balcony;

- (25) **“Multiple Dwelling”** means all Dwellings other than Single Detached Dwellings, Semi-Detached Dwellings, and Apartment Dwellings, and shall include Park Model Trailers;
- (26) **“Non-Profit Housing Development”** means development of a Building or structure intended for use as residential premises by:
- (a) a corporation to which the *Canada Not-for-profit Corporation Act, 2010* applies, that is in good standing under that Act and whose primary objective is to provide housing,
 - (b) a corporation without share capital to which the *Canada Not-for-profit Corporation Act, 2010* applies, that is in good standing under that Act and whose primary object is to provide housing, or
 - (c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act, 2022*;
- (27) **“Non-Residential Uses”** means a Building or structure, or portions thereof, used, or designed or intended for a use other than a Residential Use;
- (28) **“Official Plan”** means the Official Plan of the County of Oxford and any amendments thereto;
- (29) **“Owner”** means the owner of land or a person who has made application for an approval for the development of land upon which a Development Charge is imposed;
- (30) **“Park Model Trailer”** means a trailer conforming to National Standard of Canada CAN CSA-Z241.0-92, CAN CSA-Z240 or similar standard that is up to a maximum size of 50 square metres and designed to facilitate relocation from time to time;
- (31) **“Planning Act”** means the *Planning Act, 1990*, R.S.O. 1990, c.P.13, as amended;
- (32) **“Private School”** means an academic education school to which all of the following apply:
- (a) registered with the Province as a “private school” under section 16 of the *Education Act*;
 - (b) non-publicly funded;
 - (c) operated on a not-for-profit basis;

- (d) operated by a non-share non-profit corporation, or an established or a “religious organization” as defined by the *Religious Organizations’ Land Act*; and
 - (e) offering elementary or secondary academic education;
- (33) “**Regulation**” means any regulation made pursuant to the Act;
- (34) “**Rental Housing Development**” means development of a Building or structure with four or more residential units all of which are intended for use as rented residential premises;
- (35) “**Residential Uses**” means lands, Buildings or structures or portions thereof used, or designed or intended for use as a home or residence of one or more individuals, and shall include Single Detached Dwelling, Semi-Detached Dwelling, Multiple Dwelling, Apartment Dwelling, and the residential portion of a mixed-use Building or structure;
- (36) “**Row Townhouse Dwelling**” means a Building vertically divided into three or more Dwelling Units by common walls extending from the base of the foundation to the roof. Each Dwelling Unit shall have separate entrance directly to the outside;
- (37) “**Semi-Detached Dwelling**” means a Building divided vertically into two Dwelling Units each of which has a separate entrance and access to grade;
- (38) “**Services**” means services set out in Schedule “A” to this by-law;
- (39) “**Single Detached Dwelling**” means a completely detached Building containing only one Dwelling Unit;
- (40) “**Special Care/Special Need Dwelling**” means a Building, or part of a Building:
- (a) containing two or more Dwelling Units which units have a common entrance from street level;
 - (b) where the occupants have the right to use in common with other occupants, halls, stairs, yards, common rooms and accessory Buildings;
 - (c) that is designed to accommodate persons with specific needs, including but not limited to independent permanent living arrangements; and
 - (d) where support services, such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at any one or more various levels;

and includes, but is not limited to, retirement homes or lodges, charitable dwellings, group homes (including correctional group homes) and hospices;

Special Care/Special Needs Dwellings will be charged the D.C. rate for Bachelor and 1 Bedroom Apartment Units;

- (41) **“Stacked Townhouse Dwelling”** means a Building, other than a Row Townhouse or Back to Back Townhouse, containing at least 3 Dwelling Units; each Dwelling Unit separated from the other vertically and/or horizontally and each Dwelling Unit having a separate entrance to grade;
- (42) **“Temporary Building or Structure”** means a Building or structure constructed or erected or placed on land for a continuous period not exceeding twelve months, or an addition or alteration to a Building or structure that has the effect of increasing the total floor area thereof for a continuous period not exceeding twelve months;
- (43) **“Temporary Dwelling Unit”** means a Dwelling Unit, which is:
- (a) designed to be portable (e.g. mobile home);
 - (b) clearly ancillary to, and fully detached from, an existing permanent Dwelling Unit located on the same lot;
 - (c) only permitted to be in place for a limited period of time; and
 - (d) subject to an agreement with the Area Municipality specifying the maximum period of time the Dwelling Unit is to be permitted and any other matters that may be deemed necessary or appropriate by the Area Municipality, such as installation, maintenance and removal provisions, financial security requirements and restrictions on occupancy;
- (44) **“Total Floor Area”** means, the sum total of the total areas of all floors in a Building or structure whether at above or below grade measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating two uses or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and;
- (a) includes the floor area of a mezzanine, atrium, or air supported structure, and the space occupied by interior wall partitions;
 - (b) excludes those areas used exclusively for parking garages or structures; and
 - (c) where a Building or structure does not have any walls, the total floor area of the building or structure shall be the total of the area of all

floors including the ground floor that are directly beneath the roof of the Building or structure;

- (45) **“Wind Turbine”** means any wind energy conversion system with a nameplate generating capacity greater than 300 kilowatts, that converts wind energy into electricity for sale to an electrical utility or intermediary.

2. **CALCULATION OF DEVELOPMENT CHARGES**

- (1) Subject to the provisions of this by-law, the Development Charge against land in the Town shall be imposed, calculated and collected in accordance with the rates set out in Schedules “B1”, “B2”, “B3” and “B4” relating to the Services set out in Schedule “A”.
- (2) Council hereby determines that the Development of land, Buildings or structures for Residential and Non-Residential uses will require the provision, enlargement or expansion of the Services referenced in Schedule “A”; and shall be calculated as follows:
- (a) In the case of Residential Development, or a Residential portion of a mixed-use Development or redevelopment, the Development Charge shall be the sum of the products of:
- (i) the number of Dwelling Units of each type, multiplied by,
- (ii) the corresponding total dollar amount for such Dwelling Unit as set out in Schedules “B1”, “B2”, “B3” and “B4”, further adjusted by section 13; and
- (b) In the case of Non-Residential Development, or a Non-Residential portion of a mixed-use Development or redevelopment, the Development Charge shall be the sum of the products of
- (i) the Total Floor Area of Non-Residential Development or Non-Residential portion of mixed-use Development multiplied by,
- (ii) the corresponding total dollar amount per square metre of Total Floor Area, as set out in Schedules “B1”, “B2”, “B3” and “B4”, further adjusted by section 13; and
- (c) In the case of Wind Turbines, the sum of the number of Wind Turbines multiplied by the corresponding amount for each Wind Turbine as set out in Schedules “B1”, “B2”, “B3” and “B4”, further adjusted by section 13.
- (3) The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:

- (a) Three or more bedrooms – 25% reduction;
- (b) Two bedrooms – 20% reduction; and
- (c) All other bedroom quantities – 15% reduction.

3. **APPLICABLE LANDS**

- (1) Subject to the exceptions and exemptions described in the following subsections, this by-law applies to all lands in the Town, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*, R.S.O. 1990, c.A.31, as amended.
- (2) This by-law shall not apply to land that is owned by and used for the purposes of:
 - (a) a Board of Education;
 - (b) any municipality or Local Board thereof;
 - (c) a Place of Worship exempt under s.3 of the *Assessment Act*, R.S.O. 1990, c. A31, as amended;
 - (d) a Public Hospital under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, as amended;
 - (e) land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education if the Development in respect of which Development Charges would otherwise be payable is intended to be occupied and used by the university.
- (3) This by-law shall not apply to:
 - (a) Farm Buildings as defined herein;
 - (b) Non-Residential Uses as defined herein, excluding Wind Turbines;
 - (c) Private Schools as defined herein;
 - (d) Temporary Buildings or structures as defined herein;
 - (e) Affordable Housing as defined herein;
 - (f) Temporary Dwelling Units as defined herein;
 - (g) Long-Term Care home, as defined herein;

- (h) Lands shown in Schedule "C". For greater certainty, these lands are designated as "Central Business District" and "Entrepreneurial District" in the County of Oxford Official Plan, Schedule I-1.
- (i) Notwithstanding any other provision of this by-law, no Development Charge is payable with respect to an enlargement of the Gross Floor Area of an existing Industrial Building where the Gross Floor Area is enlarged by 50 percent or less. If the Gross Floor Area of an existing Industrial Building is enlarged by greater than 50 percent, the amount of the Development Charge payable in respect of the enlargement is the amount of the Development Charge that would otherwise be payable multiplied by Gross Floor Area created that is greater than 50% of the existing Gross Floor Area:
 - (i) notwithstanding subsection 3 (3) (i), the exemption for an existing Industrial Building shall be applied to a maximum of fifty percent (50%) of the Gross Floor Area before the first enlargement for which an exemption from the payment of Development Charges was granted pursuant to this by-law or its predecessor.
 - (ii) The Total Floor Area of an existing Industrial Building is enlarged where there is a bona fide increase in the size of the existing Industrial Building, the enlarged area is attached to the existing Industrial Building, there is a direct means of ingress and egress from the existing Industrial Building to and from the enlarged area for persons, goods and equipment and the existing Industrial Building and the enlarged area are used for or in connection with an Industrial purpose as set out in subsection 1(1) of the Regulation. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing Industrial Building by means only of a tunnel, bridge, canopy, corridor, or other passageway, or through a shared below grade connection such as a service tunnel, foundation, footing or parking facility.
- (j) Affordable residential units required pursuant to section 34 and 16(4) of the Planning Act (Inclusionary Zoning);
- (k) Affordable and attainable residential units as follows:
 - (i) As of the date on which section 4.1 of the Act is proclaimed into force, affordable residential units that meet the criteria set out in subsection 4.1 (2) or 4.1 (3) of the Act shall be exempt from Development Charges

- (ii) As of the date on which subsection 4.1 (4) of the Act is proclaimed into force, attainable residential units that meet the criteria set out in subsection 4.1 (4) of the Act shall be exempt from Development Charges

4. RULES WITH RESPECT TO EXEMPTIONS FOR INTENSIFICATION OF HOUSING

- (1) Notwithstanding section 3 above, no Development Charges shall be imposed with respect to Developments or portions of Developments as follows:
 - (a) The enlargement of an existing Dwelling Unit;
 - (b) a second residential Dwelling Unit in an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all Buildings and structures ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling cumulatively contain no more than one residential Dwelling Unit;
 - (c) a third residential Dwelling Unit in an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if no Building or structure ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains any residential Dwelling Units;
 - (d) one residential Dwelling Unit in a Building or structure ancillary to an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling on a parcel of land, if the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains no more than two residential Dwelling Units and no other Building or structure ancillary to the existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling contains any residential Dwelling Units; or
 - (e) in an existing rental residential Building, which contains four or more residential Dwelling Units, the creation of the greater of one residential Dwelling Unit or one per cent of the existing residential Dwelling Units;
- (2) For the purposes of subsections 4 (1) (d) a residential Dwelling Unit in a Building or structure ancillary to an existing or new Single Detached Dwelling, Semi-Detached Dwelling, or Row-Townhouse Dwelling must be clearly secondary and subordinate to the principal Dwelling Unit on the lot and:
 - (a) have Gross Floor Area of no greater than 60% of the Gross Floor Area of the principal Dwelling Unit, to a maximum of 140 m²; and

- (b) shall be located a maximum distance of 30 m from the principal Dwelling Unit.

5. TIMING OF CALCULATION FOR DEVELOPMENT CHARGES

- (1) Subject to subsection 5 (2), Development Charges shall be calculated and collected in accordance with the provisions of this by-law and be imposed on land to be developed for Residential and Non-Residential Use, where, the Development requires;
 - (a) the passing of a zoning by-law or an amendment thereto under section 34 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (b) the approval of a minor variance under section 45 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (c) conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act*, R. S.O. 1990, c.P.13 applies;
 - (d) the approval of a plan of subdivision under section 51 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (e) a consent under section 53 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (f) the approval of a description under section 9 of the *Condominium Act*, S.O. 1998, c.9, as amended; or
 - (g) the issuing of a permit under the *Building Code Act*, 1992, S.O. 1992, c.23, as amended in relation to a Building or structure.
- (2) Subsection 5 (1) shall not apply in respect to:
 - (a) Local Services installed or paid for by the owner within a plan of subdivision or within the area to which the plan relates, as a condition of approval under section 51 of the *Planning Act*, R.S.O. 1990, c.P.13;
 - (b) Local Services installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*, R.S.O. 1990 c.P.13.
- (3) A Development Charge shall be calculated and payable in full in money or by provision of Services as may be agreed upon, or by credit granted pursuant to the Act or this by-law, on the date that the first building permit is issued in relation to a Building or structure on land to which a Development Charge applies.
- (4) Where a Development Charge applies to land in relation to which a building permit is required, the building permit shall not be issued until the Development Charge has been paid in full.

- (5) Notwithstanding subsection 5 (1), Development Charges for Rental Housing and Institutional Developments are due and payable in 6 equal installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
- (6) Notwithstanding subsections 5 (1) and 5 (3), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment application received on or after January 1, 2020, and the approval of the application occurred within the prescribed amount of time of building permit issuance, the Development Charges under section 2 shall be calculated based on the rates set out in Schedules “B1”, “B2”, “B3” and “B4” on the date of the planning application. Where both planning applications apply, Development Charges under section 2 shall be calculated on the rates set out in Schedules “B1”, “B2”, “B3” and “B4” on the date of the later planning application.
- (7) Interest for the purposes of subsections 5 (5) and 5 (6) shall be calculated as per the Town’s Development Charge Interest Rate Policy.

6. **LOCAL SERVICE INSTALLATION**

- (1) Nothing in this by-law prevents Council from requiring, as a condition of an agreement under section 51 or 53 of the *Planning Act* that the Owner, at his or her own expense, shall install or pay for such Local Services, within the Plan of Subdivision or within the area to which the plan relates, as Council may require.

7. **MULTIPLE CHARGES**

- (1) Where two or more of the actions described in subsection 5 (1) are required before land to which a Development Charge applies can be developed, only one Development Charge shall be calculated and collected in accordance with the provisions of this by-law, as prescribed in section 5.
- (2) Notwithstanding subsection 7 (1), if two or more of the actions described in subsection 5 (1) occur at different times, and if the subsequent action has the effect of a net increase in the number of Residential Dwelling Units and/or a net increase in the amount of Non-Residential Gross Floor Area, additional Development Charges shall be calculated and collected in accordance with the provisions of this by-law.

8. **SERVICES IN LIEU**

- (1) Council may authorize an Owner, through an agreement under section 38 of the Act, to substitute such part of the Development Charge applicable to the Owner’s Development as may be specified in the agreement, by the provision at the sole expense of the Owner, of services in lieu. Such agreement shall further specify that where the Owner provides services in lieu in accordance

with the agreement, Council shall give to the Owner a credit against the Development Charge in accordance with the agreement provisions and the provisions of section 39 of the Act, equal to the reasonable cost to the Owner of providing the services in lieu. In no case shall the agreement provide for a credit which exceeds the total Development Charge payable by an Owner to the Town in respect of the Development to which the agreement relates.

- (2) In any agreement under subsection 8 (1), Council may also give a further credit to the Owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.
- (3) The credit provided for in subsection 8 (2) shall not be charged to any Development Charge reserve fund.

9. FRONT-ENDING AGREEMENTS

- (1) Council may authorize a front-ending agreement in accordance with the provisions of Part III of the Act, upon such terms as Council may require, in respect of the Development of land.

10. DEMOLITION AND CONVERSION CREDITS FOR REDEVELOPMENT OF LAND

- (1) If a Development involves the demolition of and replacement of all or part of a Building or structure, or the conversion from one principal use to another, a credit shall be allowed, provided that the land was improved by occupied structures, or structures capable of being occupied without structural improvement, within the five years prior to the issuance of the building permit, and the building permit has been issued for the development within five years from the date the demolition permit has been issued; and;
- (2) Subject to subsection 10 (3), the credit shall be calculated:
 - (a) in the case of the demolition or conversion of a Building, or a part of a Building, used for a Residential purpose, by multiplying the number and type of Dwelling Units demolished or converted by the relevant Development Charge in effect under this by-law on the date when the Development Charge with respect to the redevelopment is payable pursuant to this by-law; or
 - (b) in the case of the demolition or conversion of a Building, or part of a Building, used for a Non-Residential purpose, by multiplying the Non-Residential Total Floor Area demolished or converted, by the relevant Development Charge in effect under this by-law on the date when the Development Charge with respect to the Redevelopment is payable pursuant to this by-law.

- (3) A credit can, in no case, exceed the amount of the development charge that would otherwise be payable. No credit is available if the use for which the demolished/converted buildings or structures was last lawfully occupied is exempt under this by-law.
- (4) Notwithstanding subsection 10 (1) above, where the Building cannot be demolished until the new Building has been erected, the Owner shall notify the Town in writing and pay the applicable Development Charge for the new Building in full and, if the existing Building is demolished not later than twelve (12) months from the date a building permit is issued for the new Building, the Town shall provide a refund calculated in accordance with this section to the Owner without interest. If more than twelve (12) months is required to demolish the existing Building, the Owner may make a written request to the Town, and the Town's Treasurer or designate, in his or her sole and absolute discretion and upon such terms and conditions as he or she considers necessary or appropriate, may extend the time in which the existing Building must be demolished, and such decision shall be made prior to the issuance of the first building permit for the new Building.

11. RESERVE FUNDS

- (1) Monies received from payment of Development Charges under this by-law shall be maintained in a separate reserve fund for each Service category set out in Schedule "A".
- (2) Monies received for the payment of Development Charges shall be used only in accordance with the provisions of section 35 of the Act.
- (3) Council directs the Town Treasurer to divide the reserve fund created hereunder into separate accounts in accordance with the Service categories set out in Schedule "A" to which the Development Charge payments, together interest earned thereon, shall be credited.
- (4) Where any Development Charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll for the property on which the Development occurred and shall be collected as taxes.
- (5) Where any unpaid Development Charges are collected as taxes under subsection 13 (4), the monies so collected shall be credited to the development charge reserve funds referred to in subsection 13 (1).
- (6) The Town Treasurer shall in each year commencing in 2025 for the 2024 year, furnish to Council a statement in respect of the reserve funds established hereunder for the prior year, containing the information set out in section 12 of O. Reg. 82/98.

12. BY-LAW AMENDMENT OR APPEAL

- (1) Where this by-law or any Development Charge prescribed thereunder is amended or repealed either by order of the Ontario Land Tribunal (OLT) or by resolution of Council, the Town Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.
- (2) Refunds that are required to be paid under subsection 12 (1) shall be paid with interest to be calculated as follows:
 - (a) Interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
 - (b) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be used.
- (3) Refunds that are required to be paid under subsection 12 (1) shall include the interest owed under this section.

13. BY-LAW INDEXING

- (1) The Development Charges set out in Schedules “B1”, “B2”, “B3” and “B4” to this by-law shall be adjusted annually as of June 13, without amendment to this by-law, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, “Construction Price Statistics”.

14. SEVERABILITY

- (1) In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be void, voidable, unenforceable or ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

15. BY-LAW ADMINISTRATION

- (1) This by-law shall be administered by the Town Treasurer.

16. SCHEDULES TO THE BY-LAW

- (1) The following Schedules to this by-law form an integral part of this by-law:
 - Schedule A – Schedule of Municipal Services
 - Schedule B1 – Schedule of Development Charges – Services Related to a Highway
 - Schedule B2 – Schedule of Development Charges – Fire Protection Services

Schedule B3 – Schedule of Development Charges – Parks and Recreation Services

Schedule B4 – Schedule of Development Charges – Growth-Related Studies

Schedule C – Schedule of Lands exempt from the Town-Wide Development Charge By-law-2024

- (2) Any or all Schedules may be amended, revised and/or replaced from time to time during the term of the by-law as set out in accordance with the provisions of the *Development Charges Act, 1997*, S.O. 1997, c.27 as may be amended and/or replaced from time to time.

17. DATE BY-LAW EFFECTIVE

- (1) This by-law shall come into force and effect on June 13, 2024.

18. EXISTING BY-LAW REPEAL

- (1) By-law 19-5057 as amended by By-law 21-5131 is repealed on the date this by-law comes into effect.

19. SHORT TITLE

- (1) This by-law may be cited as the “2024 Town of Ingersoll Development Charge By-law”.

READ a first and second time this 10th day of June, 2024.

READ a third time and finally passed in Open Council this 10th day of June, 2024.

MAYOR

CLERK

SCHEDULE "A"
TO BY-LAW NO. XXXX-2024

DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW

- (1) Services Related to a Highway
- (2) Fire Protection Services
- (3) Parks and Recreation Services
- (4) Growth-Related Studies

SCHEDULE "B1"
TO BY-LAW NO. XXXX-2024

SCHEDULE OF DEVELOPMENT CHARGES – SERVICES RELATED TO A HIGHWAY

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Services Related to a Highway	3,536	2,649	2,122	1,347	9.62	3,536

SCHEDULE "B2"
TO BY-LAW NO. XXXX-2024

SCHEDULE OF DEVELOPMENT CHARGES – FIRE PROTECTION SERVICES

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Fire Protection Services	1,409	1,056	846	537	3.83	1,409

**SCHEDULE “B3”
TO BY-LAW NO. XXXX-2024**

SCHEDULE OF DEVELOPMENT CHARGES – PARKS AND RECREATION SERVICES

Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Parks and Recreation Services	9,678	7,249	5,807	3,686	2.46	-

SCHEDULE "B4"
TO BY-LAW NO. XXXX-2024

SCHEDULE OF DEVELOPMENT CHARGES – GROWTH-RELATED STUDIES


Service	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.m. of Gross Floor Area)	(per Wind Turbine)
Growth-Related Studies	142	106	85	54	0.29	142

**SCHEDULE "C"
TO BY-LAW NO. XXXX-2024**

**SCHEDULE OF LANDS EXEMPT FROM THE
DEVELOPMENT CHARGE BY-LAW**

**COUNTY OF OXFORD - TOWN OF INGERSOLL
CENTRAL BUSINESS DISTRICT**



 LANDS TO WHICH THE BY-LAW DOES NOT APPLY